

# VU Research Portal

## Designing Controls for Network Organisations: A Value-Based Approach

Kartseva, V.

2008

### **document version**

Publisher's PDF, also known as Version of record

[Link to publication in VU Research Portal](#)

### **citation for published version (APA)**

Kartseva, V. (2008). *Designing Controls for Network Organisations: A Value-Based Approach*. [PhD-Thesis - Research and graduation internal, Vrije Universiteit Amsterdam].

### **General rights**

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal ?

### **Take down policy**

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

### **E-mail address:**

[vuresearchportal.ub@vu.nl](mailto:vuresearchportal.ub@vu.nl)

tinbergen *institute*

*Designing Controls for  
Network Organizations*  
A Value-Based Approach

Vera Kartseva

Organizations have increasingly transformed themselves into networks which are linked together by contractual agreements aimed at a joint business activity, such as an Internet service provider, or an online newspaper. Although the network strategies may bring many benefits, it makes parties in networks also vulnerable to the opportunistic behavior of their partners within the network and external parties outside the network. The subject of this thesis is to design controls against opportunistic behavior in such a network setting. We introduce the e3-control methodology, which is a design methodology that supports a conceptual analysis of the business context of the network, its structure, and the design of controls. The control design process is based on existing 'best-practice' and theories from internal control and agency theory, which are incorporated in so-called control patterns. These patterns structure the design of controls in such a way that with a limited number of generic controls a large number of specific situations can be safeguarded against opportunism. The e3-control methodology also supports the modeling of controls that rely on rights and incentives, as well as ex-post and ex-ante verification of contractual controls. The e3-control methodology has been applied and tested in four large case studies in healthcare, international trade, digital music and electricity industries. The study has also shown the importance of the economic value perspective on controls. Understanding the value aspects of control mechanisms is crucial, since it supports a more rational decision making about the implementation of controls.

**Vera Kartseva**, born's February 1980 in Kharkov, Ukraine, received her Masters degree in Business Informatics (2001) from the Vrije Universiteit Amsterdam. In 2003 she started her PhD research at the Information Management group of the Faculty of Economics and Business Administration of the Vrije Universiteit Amsterdam. Currently she is working at ING Investment Management.